

A Path Forward



**VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT**

Partners for Better Communities

# Additional Wage Classification(s) Requests

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# Quick Survey

- What is your familiarity with submitting an additional wage classification request?
  - Dazed and Confused (What's a wage classification?)
  - We've Only Just Begun (Tried it once or twice)
  - Taking Care of Business (I'm a pro; just tell me what's new)

# Quick Background Review

- Davis–Bacon and Related Acts (federal labor standards) applies to all construction contracts valued at \$2,000 or more
- Construction includes alterations and/or repairs, including painting and decorating
- Requires the payment of prevailing wage rates, including fringe benefits, to all laborers and mechanics, including apprentices, trainees and working foremen

# What's New?

- ✓ New form to use when requesting additional wage classifications
- ✓ Cutting out the middle man

# When Do You Submit a Request?

- ✓ Identified at the pre-construction conference and request submitted after construction contract is signed, and
- ✓ When a new trade is unexpectedly needed and it isn't listed on the applicable wage decision.



# Preparing the Form

- Use SF 1444,
- Fill in Sections #3-16,
- Print and sign, and
- Forward to your Community Development Specialist (CDS), along with applicable wage decision(s) and workers' sign off

I, ~~Daniel Kirschbaum~~, an employee of Leonard Roofing LLC, agree to the job classification and pay rate listed below for the Laurel Creek Park and Trail project located in Damascus, VA.

Roofer at the pay rate of \$19.90 per hour, this rate including any fringe benefits

3. CONTRACTOR Pine Knoll Construction			4. DATE OF REQUEST 12/14/2021	
5. CONTRACT NUMBER 18-02	6. DATE BID OPENED (SEALED BIDDING) 2/15/2021	7. DATE OF AWARD 3/15/2021	8. DATE CONTRACT WORK STARTED 4/15/2021	9. DATE OPTION EXERCISED (IF APPLICABLE) (SERVICE CONTRACT ONLY)
10. SUBCONTRACTOR (IF ANY) N/A				
11. PROJECT AND DESCRIPTION OF WORK (ATTACH ADDITIONAL SHEET IF NEEDED) Luray Meadows: Site clearance activities, the construction of one pump station and the construction driveway entrances, curb and gutter, 115 parking spaces, sidewalks and landscaping in conjunction with the construction of 52 affordable, energy-efficient LMI rental units and a community center for LMI residents				
12. LOCATION (CITY, COUNTY, AND STATE) Luray Town, Page County, Virginia.				
13. IN ORDER TO COMPLETE THE WORK PROVIDED FOR UNDER THE ABOVE CONTRACT, IT IS NECESSARY TO ESTABLISH THE FOLLOWING RATE(S) FOR THE INDICATED CLASSIFICATION(S) NOT INCLUDED IN THE DEPARTMENT OF LABOR DETERMINATION NUMBER: <u>VA130, Mod 0</u> DATED: <u>1/1/2021</u>				
a. LIST IN ORDER: PROPOSED CLASSIFICATION TITLE(S); JOB DESCRIPTION(S); DUTIES; AND RATIONALE FOR PROPOSED CLASSIFICATIONS (Service contracts only) <i>(Use reverse or attach additional sheets, if necessary)</i>			b. WAGE RATE(S)	c. FRINGE BENEFITS PAYMENTS
Laborer: Flagger			9.50	
Laborer: Pipelayer			13.11	

# Reviewing Proposed Classifications

- The type of work needed for a project is not already listed on the applicable wage decision,
- The proposed classification is being used on other projects in area, and
- You are not creating a new construction classification but adding an existing construction classification to the appropriate wage decision.

**Window Seal Worker Example:**  
The project requires that windows be sealed. The wage decision lists a glazier.

**Q:** Do you need to request an additional job classification?

**A:** No, sealing work is incidental to window rehab & insulations, which is covered by glazier classification.

# Reviewing Proposed Wage Rates

## State Requirements:

- As of January 1, 2022, the Code of Virginia requires all workers to be paid an amount not less than the greater of either \$11.00 per hour or the federal minimum wage.
- Applies to all existing CDBG-funded construction projects as well as any construction contracts signed this year.

<https://law.lis.virginia.gov/vacode/title40.1/chapter3/section40.1-28.10/>

# Federal Wage Review Requirements

- Proposed wage rate, including any benefits, has to bear a “reasonable relationship” to other similar existing wage rates, and
- Similar is defined as those from the same category of classifications and sectors of industry (See SCA Directory of Occupations on DOL website)

POWER EQUIPMENT OPERATOR:

Backhoe.....	\$ 12.85	1.22
Bulldozer.....	\$ 18.00	
Crane.....	\$ 20.63	7.28
Excavator.....	\$ 12.28	1.97
Loader.....	\$ 12.67	1.13

TRUCK DRIVER

Dump Truck.....	\$ 10.54	0.53
Off the Road Truck.....	\$ 16.50	

## What Next?

- The general contractor should use the proposed rate, including any benefits, until we hear back from U. S. Department of Labor (DOL),
- DHCD sends request to DOL, and
- U. S. DOL may approve the additional job classification request as submitted or modify (conform) your proposed rate.

# U. S. DOL Response Can Be a Mixed Bag

The request for Pipelayer, Backhoe, Excavator, Roller, Skid Steer and Truck is approved and the proposed wage rates shall be paid to all workers performing work in the classifications under this contract from the first day on which work is performed.

The request for Flagger cannot be approved because the proposed wage rate does not bear a reasonable relationship to wage rates contained in the wage decision [see Section 5.5(a)(1)(ii)(a)(3)]. The conformed rate for the Flagger is \$9.63 per hour. This is the minimum wage for all workers performing in this classification under this contract. This conformed wage rate must be paid, retroactively, to the first day work is performed.

# Restitution

- Make sure your CDS knows about the required restitution so DHCD can be reported to HUD, and
- Make sure any necessary restitution is paid *and* documented.

3. (a) <b>Number of workers for whom wage restitution was collected/dispensed:</b> <i>Report only once; if you previously reported workers for whom restitution was collected, do not report the same workers when funds are dispensed. Include workers to whom restitution was paid directly by the employer.</i>	2
(b) <b>Total amount of straight time wage restitution collected/dispensed during this period:</b> <i>Report only once; if you report funds collected, do not report the disbursement. Include restitution amounts paid directly by the employer as reported on correction certified payrolls.</i>	\$65.99
(c) <b>Total amount of CWHHSA overtime wage restitution collected/dispensed during this period:</b> <i>Report only once; if you report funds collected, do not report the disbursement. Include restitution amounts paid directly by the employer as reported on correction certified payrolls.</i>	\$0

# Notify Workers

- Post DOL letter next to wage decision



# Shameless Marketing Plug

- Federal Labor Standards (FLS) training on May 4, 11 and 25
- What do you want to see covered?
- Can't wait until May?
  - Review handouts,
  - Read Chapter 8 of the *Grant Management Manual*,
  - See the FLS webinars on DHCD website at <https://www.dhcd.virginia.gov/cdbg-training-archive>, and
  - Talk to your CDS

# Questions?



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